



COMMONWEALTH of VIRGINIA
Office of the Governor

Mark R. Warner
Governor

April 8, 2002

TO THE HOUSE OF DELEGATES

HOUSE BILL NO. 30

I approve the general purpose of this bill but am returning it without my approval with the request that the following amendments be made:

1. Revenue

Page 1, enrolled bill, line 21

strike

\$2,500,000

insert

\$7,670,267

Page 1, enrolled bill, line 21

strike

\$12,700,000

insert

\$17,870,267

Page 1, enrolled bill, line 22

strike

\$11,318,725,656

Page 2

insert

\$11,287,647,763

Page 1, enrolled bill, line 22

strike

\$11,981,000,351

insert

\$12,018,993,640

Page 1, enrolled bill, line 22

strike

\$23,299,726,007

insert

\$23,306,641,403

Page 1, enrolled bill, line 23

strike

\$817,291,684

insert

\$835,073,080

Page 1, enrolled bill, line 23

strike

\$454,194,051

insert

\$453,861,613

Page 3

Page 1, enrolled bill, line 23

strike

\$1,271,485,735

insert

\$1,288,934,693

Page 1, enrolled bill, line 25

strike

\$12,271,684,602

insert

\$12,263,558,372

Page 1, enrolled bill, line 25

strike

\$12,445,394,402

insert

\$12,483,055,253

Page 1, enrolled bill, line 25

strike

\$24,717,079,004

insert

\$24,746,613,625

Page 1, enrolled bill, line 29

strike

\$12,711,651,558

Page 4

insert

\$12,716,501,558

Page 1, enrolled bill, line 29

strike

\$13,049,626,932

insert

\$13,054,226,932

Page 1, enrolled bill, line 29

strike

\$25,761,278,490

insert

\$25,770,728,490

Page 1, enrolled bill, line 30

strike

\$630,293,651

insert

\$646,673,923

Page 1, enrolled bill, line 30

strike

\$705,613,651

insert

\$721,993,923

Page 1, enrolled bill, line 32

Page 5

strike

\$14,888,762,859

insert

\$14,909,993,131

Page 1, enrolled bill, line 32

strike

\$13,124,946,932

insert

\$13,129,546,932

Page 1, enrolled bill, line 32

strike

\$28,013,709,791

insert

\$28,039,540,063

Page 1, enrolled bill, line 33

strike

\$27,160,447,461

insert

\$27,173,551,503

Page 1, enrolled bill, line 33

strike

\$25,570,341,334

insert

Page 6

\$25,612,602,185

Page 1, enrolled bill, line 33

strike

\$52,730,788,795

insert

\$52,786,153,688

(This amendment reflects revenue adjustments included in the Governor's amendments to the enrolled bill.)

2. General District Courts

Page 22, enrolled bill, Item 33, line 39

strike

lines 39 through 41

insert

E. The processing fee assessed by the courts in accordance with the provisions of §16.1-69.48:1, Code of Virginia, and collected for deposit into the general fund shall be \$12 higher than the amount in effect on January 1, 2002, of such fee collected for the general fund. The amount of any fee collected for the Intensified Drug Enforcement Jurisdiction Fund shall be two dollars. If Senate Bill 150 of the 2002 Session of the General Assembly is enacted into law, the Executive Secretary of the Supreme Court may adjust the distribution formula set out in §16.1-69.48:1 to distribute the remainder of the fee collected.

(This amendment increases the court processing fee for misdemeanors and traffic violations by \$12, consistent with General Assembly budget actions. During its 2002 Session, the General Assembly passed SB 150, which changed the fee structure for district courts. This amendment is needed to ensure that the intent of the Appropriation Act to increase the general fund portion of court fees conforms with SB 150.)

3. Juvenile and Domestic Relations District Courts

Page 23, enrolled bill, Item 34, line 40

strike

lines 40 through 42.

insert

E. The processing fee assessed by the courts in accordance with the provisions of §16.1-69.48:1 of the Code of Virginia and collected for deposit into the general fund shall be \$12 higher than the amount in effect on January 1, 2002 of such fee collected for the general fund. The amount of any fee collected for the Intensified Drug Enforcement Jurisdiction Fund shall be two dollars. If Senate Bill 150 of the 2002 Session of the General Assembly is enacted into law, the Executive Secretary of the Supreme Court may adjust the distribution formula set out in §16.1-69.48:1 to distribute the remainder of the fee collected.

(This amendment increases the court processing fee for misdemeanors and traffic violations by \$12, consistent with General Assembly budget actions. During its 2002 Session, the General Assembly passed SB 150, which changed the fee structure for district courts. This amendment is needed to ensure that the intent of the Appropriation Act to increase the general fund portion of court fees conforms with SB 150.)

4. Combined District Courts

Page 24, enrolled bill, Item 35, line 52

strike

line 52 and lines 1 and 2 on page 25

insert

E. The processing fee assessed by the courts in accordance with the provisions of §16.1-69.48:1 of the Code of Virginia and collected for deposit into the general fund shall be \$12 higher than the amount in effect on January 1, 2002 of such fee collected for the general fund. The amount of any fee collected for the Intensified Drug Enforcement Jurisdiction Fund shall be two dollars. If Senate Bill 150 of the 2002 Session of the General Assembly is enacted into law, the Executive Secretary of the Supreme Court may adjust the distribution formula set out in §16.1-69.48:1 to distribute the remainder of the fee collected.

(This amendment increases the court processing fee for misdemeanors and traffic violations by \$12, consistent with General Assembly budget actions. During its 2002 Session, the General Assembly passed SB 150, which changed the fee structure for district courts. This amendment is needed to ensure that the intent of the Appropriation Act to increase the general fund portion of court fees conforms with SB 150.)

5. Compensation Board

Page 8

Page 40, enrolled bill, Item 63, line 54, after “Board.”

strike

the remainder of line 54 and all of lines 55 through 58

insert

Beginning with the collection of data for fiscal year 2002, such information is to include an audited statement of revenues and expenses for inmate canteen accounts, telephone commission funds, inmate medical co-payment funds, any other fees collected from inmates and investment/interest monies for inclusion in the report.

(This amendment clarifies the responsibility of localities for audits of inmate trust funds. In addition, reporting requirements for jail canteen and other auxiliary funds are changed to specify which funds are to be included in the report.)

6. Compensation Board

Page 44, enrolled bill, Item 64, line 55, after “Census.”

insert

For the first year of the biennium, the Compensation Board shall allocate positions based upon the most recent provisional population estimates available at the time the agency’s annual budget is completed.

(This amendment allows the Compensation Board to use provisional census estimates, rather than final estimates, to allocate available deputy positions in FY 2003. This change is needed because, for years immediately following the census, there is a delay in providing final population estimates. With this change, the Compensation Board will be able to use more recent population estimates than the census data, and allow 29 sheriff deputies funded in the budget to be distributed to localities.)

7. Compensation Board

Page 47, enrolled bill, Item 66, line 15, After “Item”

strike

66

insert

63

Page 9

(This amendment provides authority for local governments to supplement the salary of local circuit court clerks.)

8. Department of General Services

Page 57, enrolled bill, Item 76, line 14

strike

\$5,449,117 \$5,449,117

insert

\$12,510,386 \$6,349,117

Page 57, enrolled bill, Item 76, line 49

strike

requesting

insert

accessing

Page 57, enrolled bill, Item 76, after line 57

insert

C. Out of the amounts for Purchase Management shall be provided \$7,061,269 in the first year and \$900,000 in the second year from nongeneral funds for further development and implementation of a statewide electronic procurement system.

(This amendment appropriates nongeneral fund dollars to the Department of General Services for the development and implementation of a statewide electronic procurement system. These funds will be used by the Department of General Services to continue development of that statewide electronic procurement system.)

9. Department of General Services

Page 57, enrolled bill, Item 76, line 37

strike

\$3,000,000

Page 10

insert

\$8,000,000

Page 57, enrolled bill, Item 76, line 44, after “of”

strike

five years beginning two years after the start of project implementation in
fiscal year 2002.

insert

ten years beginning in fiscal year 2006.

(This amendment increases the amount of the treasury loan for the development and implementation of a statewide electronic procurement system and changes the treasury loan’s repayment terms. Providing a larger treasury loan to the Department of General Services will allow DGS to complete a number of enhancements to the statewide electronic procurement system that will improve the overall utility of the system for end users. Altering the repayment terms of the loan reduces the impact of that loan’s repayment on state agencies and institutions of higher education.)

10. Department of Business Assistance

Page 78, enrolled bill, Item 108, line 23, after “reimbursement”

strike

each business receives

insert

businesses receive

(This amendment provides the Department of Business Assistance with more flexibility with respect to potentially prorating the amount of reimbursement businesses receive under the agency’s workforce services program.)

11. Virginia Economic Development Partnership

Page 90, enrolled bill, Item 129, line 31

strike

Page 11

\$16,134,931 \$22,134,931

insert

\$16,234,931 \$22,234,931

Page 92, enrolled bill, Item 129, after line 43

insert

L. Out of the amounts for Industrial Development Services shall be provided \$100,000 the first year and \$100,000 the second year from the general fund to the Virginia Commercial Space Flight Authority.

(This amendment provides the Virginia Commercial Space Flight Authority with a basic level of state support. The Virginia Commercial Space Flight Authority operates the Virginia Space Flight Center, which offers a "one stop shopping" place for low-cost, safe, reliable, user-friendly space launch facilities and services for commercial, government, and scientific/academic users, both foreign and domestic. NASA has recently agreed to spend \$2,000,000 to build a new payload processing facility.)

12. Virginia Employment Commission

Page 93, enrolled bill, Item 130, line 21

strike

B.

insert

B.1.

Page 93, enrolled bill, Item 130, after line 28

insert

2. There is hereby appropriated out of the funds made available to this state under Section 1103 of the Social Security Act (42 U.S.C.), as amended, the sum of \$18,692,633 in the first year and \$12,212,823 in the second year of Reed Act funds, or so much thereof as may be necessary, to be used under the direction of the Virginia Employment Commission, and subject to the requirements of § 60.2-305, Code of Virginia, for the purpose of administering the federal Wagner-Peyser Job Service Grant (\$2,529,421 in the first year and \$3,633,398 in the second year) and the federal Unemployment Insurance Grant (\$16,163,212 in the first year and \$8,579,425 in the second year).

(This amendment authorizes an expenditure of federal Reed Act funds credited to the unemployment trust fund as a result of the federal Job Creation and Worker Assistance Act of 2002. The funding will be used to restore expected spending levels in the Unemployment Insurance and Job Service programs. This funding restores prior cuts in federal funds for the program. Currently the agency has sufficient funding appropriated but needs this language to authorize the use of the funds.)

13. Department of Education

Page 103, enrolled bill, Item 138, line 33

strike	<u>\$43,510,360</u>	<u>\$37,537,904</u>
insert	<u>\$44,095,982</u>	<u>\$38,256,423</u>

Page 109, enrolled bill, line 46

strike	<u>190.50</u>	<u>190.50</u>
insert	<u>196.50</u>	<u>196.50</u>

(This amendment provides \$585,622 in fiscal year 2003 and \$718,519 in fiscal year 2004 in general fund support to restore two Best Practice Centers, one of which serves Southwest Virginia and one of which serves Southside Virginia. It addresses the concerns of several school divisions that have indicated that these centers provide valuable assistance and support in implementing the Standards of Learning instructional program. It includes funding for three positions per center (a director and specialists in Curriculum and Instruction, and Assessment and Accreditation.))

14. Department of Education

Page 106, enrolled bill, Item 138

strike	
	lines 36 through 57
insert	

O. The Board of Education and the Superintendent of Public Instruction shall prepare a plan for consolidating services for the deaf, blind, and multi-disabled students currently served at the Virginia School for the Deaf and the Blind at Staunton and the Virginia School for the Deaf, Blind and Multi-Disabled at Hampton. This plan shall address the transfer of funds, future funding requirements, staffing requirements, facilities requirements, capital renovation needs, student transportation requirements, future use of the vacated facility, and any other requirements needed to accommodate the transfer of students to another state-operated facility that is qualified to deliver the required services or to private facilities so qualified. This plan shall be presented to the Governor and the Chairmen of the House Education, House Appropriations, Senate Education and Health, and Senate Finance Committees no later than December 1, 2002.

(This amendment provides for the Board of Education to prepare a plan for consolidating services for deaf, blind, and multi-handicapped students served in Hampton and Staunton based on an objective review.)

15. Department of Education

Page 107, enrolled bill, Item 142, line 24

strike

\$4,676,158

insert

\$5,321,158

Page 109, enrolled bill, Item 142, line 2

strike

the second \$1,032,500

insert

\$1,677,500

(This amendment provides \$645,000 in fiscal year 2004 to fully support teacher national certification bonuses. The General Assembly did not provide sufficient funding to support the anticipated growth of these bonuses. In fiscal year 2004, the Department of Education has projected that 275 teachers will eligible for the continuation grant of \$2,500 with 198 new eligible teachers for the \$5,000 grant.)

16. Direct Aid to Public Education

Page 116, enrolled bill, Item 147, line 2

strike

\$2,697,040,401

insert

\$2,700,197,469

Page 125, enrolled bill, Item 147, line 38

strike

\$41,710,870

insert

\$44,867,938

(This amendment restores \$3,157,068 in general fund support for the At-Risk program the first year of the biennium. The General Assembly reduced this program by seven percent in fiscal year 2003, which would have resulted in a prorating of funding to local school divisions.)

17. Direct Aid to Public Education

Page 142, enrolled bill, Item 152, line 1

strike

the first \$2,700,000

insert

\$3,025,000

Page 142, enrolled bill, Item 152, after line 6

insert

The appropriation includes \$325,000 the first year from the general fund for the Jobs for Virginia Graduates Program.

(This amendment restores \$325,000 in fiscal year 2003 in general fund support for Jobs for Virginia Graduates. Now serving about 1,100 students, the program targets high school senior

Page 15

most at-risk of dropping out of school and helps them successfully graduate and transition from school to work, college, or the military.)

18. Direct Aid to Public Education

Page 142, enrolled bill, Item 152, line 1

strike

the first \$2,700,000

insert

\$2,825,000

Page 142, enrolled bill, Item 152, after line 6

insert

The appropriation includes \$125,000 the first year from the general fund for An Achievable Dream.

(This amendment restores \$125,000 in general fund support for An Achievable Dream in the first year of the biennium. This program provides enhanced educational opportunities to at-risk students.)

19. Direct Aid to Public Education

Page 142, enrolled bill, Item 152, line 1

strike

the first \$2,700,000

insert

\$2,779,774

Page 142, enrolled bill, Item 152, after line 6

insert

This appropriation includes \$79,774 the first year from the general fund for the Virginia Career Education Foundation.

(This amendment provides an additional \$79,774 to the Virginia Career Education Foundation in the first year. This center is a not-for-profit organization to promote career, technical and

Page 16

vocational education in our public schools. The foundation will use this seed money to leverage private funding, as well as funding from other major foundations.)

20. Virginia Commonwealth University

Page 184, enrolled bill, Item 227, line 5

strike

\$278,882,725

insert

\$278,993,225

Page 189, enrolled bill, Item 227, line 11

strike

\$564,900

insert

\$454,400

Page 189, enrolled bill, Item 227, line 17, the first column

strike

(110,500)

insert

0

(This amendment restores \$110,500 in general fund support the first year of the biennium to Virginia Commonwealth University. The Center for Public Policy was incorrectly identified as a research and public service center funded from the general fund. It is fully funded by nongeneral fund sources.)

21. Virginia Polytechnic Institute and State University

Page 198, enrolled bill, Item 244, line 21

strike

Page 17

\$321,762,880

insert

\$321,792,880

Page 199, enrolled bill, Item 244, line 50

strike

\$195,000

insert

\$165,000

Page 200, enrolled bill, Item 244, line 5, the first column

strike

(30,000)

insert

0

(This amendment restores \$30,000 in general fund support the first year of the biennium to Virginia Polytechnic Institute and State University. The Center for Applied Math was incorrectly identified as a research and public service center funded from the general fund. It is fully funded by nongeneral fund sources.)

22. Virginia State University – Cooperative Extension and Agricultural Research Services

Page 205, enrolled bill, Item 253, line 31

strike

\$5,978,698

\$5,978,698

insert

\$6,178,698

\$6,378,698

Page 206, enrolled bill, Item 253, line 31

strike

21.75

21.75

insert

23.75

25.75

(This amendment restores \$200,000 and two positions from the general fund in fiscal year 2003 and \$400,000 and an additional two positions from the general fund in fiscal year 2004 in state matching funds for the 1890 Land Grant at Virginia State University's Cooperative Extension. The restoration will allow the Commonwealth to make progress towards the goal of matching the federal grant at 100 percent as anticipated by the federal Office for Civil Rights. These amounts will result in a state match of 84 percent by fiscal year 2004.)

23. Department of Taxation

Page 228, enrolled bill, Item 285

strike

lines 24 through 60

Page 229, enrolled bill, Item 285

strike

lines 1 through 61

Page 230, enrolled bill, Item 285

strike

lines 1 through 17

Page 228, enrolled bill, Item 285, after line 23

insert

G.1. The Department, with the assistance of the Personal Property Tax Relief Act Compliance Task Force, shall develop and commence to implement, not later than January 1, 2003, a comprehensive Personal Property Tax Relief Act Compliance Program (the Compliance Program) to enhance taxpayer knowledge of and compliance with the provisions of

Chapter 35.1, Title 58.1, Code of Virginia, the Personal Property Tax Relief Act of 1998 (PPTRA, or the Act), and to establish cost-effective compliance verification and audit procedures to ensure that relief under PPTRA is provided only to qualifying vehicles as defined in the Act. The Department of Motor Vehicles (DMV), the Department of Accounts, local commissioners of the revenue and other local assessing officials, city, county and town treasurers and directors of finance in localities that do not have an elected treasurer shall cooperate with the Department and shall, upon the request of the Department, provide all information and assistance necessary to implement the Compliance Program.

2. The Compliance Program shall include, without limitation, the following components:

a. Provisions for informing motor vehicle owners, prominently and in plain English, at the time of vehicle titling, renewal registration, local motor vehicle licensing pursuant to § 46.2-752, Code of Virginia, personal property tax assessment and personal property tax billing, of the limitations upon qualification for relief under PPTRA.

b. Development of a process for periodic, informed certification by vehicle owners of vehicle use and characteristics that are determinative of eligibility for relief under PPTRA, utilizing to the maximum extent possible existing procedures and communications between governmental entities and affected taxpayers.

c. Compliance assurance measures that ensure that PPTRA relief is not provided to owners of vehicles that are not qualifying vehicles under the Act.

3. As part of the Compliance Program, DMV shall require, as a part of each application for initial and renewal vehicle registration for vehicles potentially eligible for PPTRA relief on and after January 1, 2003, a certification by the vehicle owner as to its use for business purposes. Certification information collected by DMV shall be made available to commissioners and other local assessing officials for use in discharging their responsibilities for qualifying vehicles for relief under PPTRA.

4. As part of the Compliance Program, for any vehicle with a value in excess of \$1,000, commissioners and other local assessing officials responsible for determining vehicle qualification for PPTRA relief, and treasurers and other local officials responsible for local vehicle registration and for the issuance of personal property tax bills to vehicle owners, shall implement provisions for certification by the vehicle owner as to vehicle use for business purposes:

a. In jurisdictions where an affirmative personal property tax return is required of the taxpayer, certification shall be obtained at the time of filing a return of personal property. In cases where this method fails to obtain the requisite taxpayer certification, then at the time of any one of the following:

1) Application for, or issuance of evidence (such as a decal or local license plate) of, initial or renewal local vehicle licensing pursuant to § 46.2-752, Code of Virginia.

2) Payment of personal property tax bill, where a bill is required to be issued pursuant to applicable law and where payment can be construed as a certification of vehicle usage.

3) Any other communication with the vehicle owner requiring an affirmative response or responsive action on the part of the owner.

b. In jurisdictions in where a File By Exception method is used for personal property tax returns, at the time of the following:

1) The File By Exception process in which citizens shall be required to notify the locality of any changes in vehicle usage on an exception basis, and either

2) Payment of personal property tax bill, where a bill is required to be issued pursuant to applicable law and where payment can be construed as a certification of vehicle usage, or

3) Application for, or issuance of evidence (such as a decal or local license plate) of, initial or renewal local vehicle licensing pursuant to § 46.2-752, Code of Virginia.

5. Recertification required by paragraph G.4. of this Item shall be obtained on an annual basis.

6. The Department shall periodically audit the personal property tax records of localities for the purpose of ascertaining compliance with the provisions of this paragraph and of other provisions of Chapter 35.1, Code of Virginia. In the event the Department determines that PPTRA relief has been provided to a specific nonqualifying vehicle, the Department shall notify the State Comptroller, who shall make appropriate adjustments to future PPTRA reimbursements to the locality with respect to the overpayment; the commissioner or other local assessing official, who shall revise the personal property tax book with respect to the qualifying status of such vehicle; and the treasurer or other official charged with the collection of the personal property taxes, who shall issue a supplemental tax bill in accordance with applicable law. Statistical sampling techniques that do not identify specific

nonqualifying vehicles as to which PPTRA relief nevertheless was granted may be used by the Department in the preparation of reports of overall compliance rates with respect to PPTRA, but shall not, in and of themselves, be used as the basis for ratably reducing PPTRA reimbursements or making setoffs against future PPTRA reimbursements to a locality except in a locality where an audit by the Department determines it is substantially noncompliant as defined by standards of compliance established annually by the Tax Commissioner.

7. Each commissioner or other local assessing official responsible for making determinations regarding qualification of vehicles for PPTRA, with the guidance and assistance of the Department and the PPTRA Compliance Task Force, shall develop and implement, not later than January 1, 2003, a program of compliance assurance measures that are designed to identify and to audit likely cases of PPTRA relief being obtained for nonqualifying vehicles. Each such commissioner or other official shall promptly identify to the State Comptroller each case in which relief was granted to a nonqualifying vehicle owner who shall make appropriate adjustments to future PPTRA reimbursements to the locality with respect to the overpayment and shall report annually to the Department regarding the program instituted and the results obtained. In developing local compliance assurance measures, the commissioner or other responsible local official shall utilize locally available information, such as that relating to business licensing, activities and taxation, that will tend to identify potential recipients of PPTRA relief with respect to nonqualifying vehicles in a cost-effective manner.

8. In order to assist commissioners and other responsible local officials in identifying potential recipients of PPTRA relief with respect to nonqualifying vehicles, the Department shall make available to commissioners and such officials information in its possession or otherwise available to it that will tend to identify taxpayers claiming exclusions or deductions relating to the use of vehicles for business purposes. Nothing in § 58.1-3, Code of Virginia, shall be construed to prohibit the transfer to commissioners and other local officials of such information for the limited purposes described in this Item.

9. The Department shall report to the Chairmen of the Senate Finance and House Appropriations Committees by November 1st of each year on total overpayments by the Commonwealth that have been identified for the prior calendar year.

10. The Tax Commissioner is authorized to promulgate administrative guidelines to implement the PPTRA Compliance Program. Such guidelines shall not be subject to the provisions of the Administrative Process Act.

insert

I.1. Notwithstanding Item 482.10 and § 3-1.01 U.1. of this act, the administration of the Personal Property Tax Relief Act of 1998 shall remain with the Department of Motor Vehicles after January 1, 2004.

2. Pursuant to § 4-1.03 a.2.a), the Director, Department of Planning and Budget shall make the necessary transfer, estimated at \$591,038, to effectuate this program change.

(This amendment, which was developed in consultation with local officials, alters the car tax audit and compliance program included in the adopted budget by allowing local governments alternative ways to ensure that only personal use vehicles receive car tax relief. With this amendment, localities may obtain the necessary certification (1) if they require return of an assessment notice, (2) when taxpayers apply for local vehicle decals, (3) when the personal property tax is actually paid, or (4) whenever changes in vehicle registration are necessary. The original provision required a separate certification process be undertaken. This amendment also provides that the responsibility for the day-to-day administration of the PPTRA will remain with the Department of Motor Vehicles rather than being transferred to the Department of Taxation.)

24. Department of the Treasury

strike

\$8,288,772 \$7,636,093

insert

\$9,357,056 \$8,704,377

(This amendment provides an appropriation of \$1,000,000 from the general fund for the payment of bank service fees to free up balances which can be invested in order to increase interest income for the general fund. The net gain is \$1,300,000 a year. The amount also provides \$68,284 for an additional position to more closely monitor the state's bank accounts in order to prevent overdrafts that may result from lower account balances.)

25. Secretary of Health and Human Resources

insert

G. The Virginia Commonwealth University Health System Authority and the University of Virginia Medical Center shall report on the operational efficiencies of their medical facilities. The academic health centers shall make a report to the Secretaries of Health and Human Resources and Education by October 1, 2002, with an updated report being issued by October 1, 2003.

(This amendment requires the two academic health centers to work with the Secretaries of Health and Human Resources and Education in examining the operational efficiencies of their medical facilities, given the rising cost of indigent care.)

26. Comprehensive Services for At-Risk Youth and Families

Page 249, enrolled bill, Item 299, after line 5

insert

H. Funding under the Comprehensive Services Act shall only be used for residential placement through a non-custodial foster care agreement that results from court involvement if the court has ordered and received a family assessment that indicates therapeutic services in a residential placement are necessary for the child, or a founded Child Protective Service investigation indicates that the parents have been unable or unwilling to provide the necessary services to ensure the safety and well-being of the child.

(This amendment clarifies and provides guidance for localities on the use of funding under the Comprehensive Services Act. The guidance will ensure that cases arising from court involvement are properly evaluated for treatment when considered for services under the Comprehensive Services Act.)

27. Department for the Aging

Page 249, enrolled bill, Item 301, line 25

strike

\$24,643,850

\$23,943,850

insert

\$24,680,950

\$23,980,950

Page 250, enrolled bill, after line 36

insert

I. The Department for the Aging shall continue the same level of support for the Pharmacy Connect program in Southwest Virginia during this biennium that the Department provided during the 2000-02 biennium.

(This amendment restores funding for the Pharmacy Connect program in Southwest Virginia to the level provided in the current biennium.)

28. Department of Medical Assistance Services

Page 268, enrolled bill, Item 325, line 34, after “be”

insert

the lesser of the provider’s usual and customary charge or

(This amendment allows the Department of Medical Assistance Services to satisfy requirements of the federal Centers for Medicare and Medicaid Services regarding how states set reimbursement rates for all providers. The amendment will not change the intent of the General Assembly.)

29. Department of Game and Inland Fisheries

Page 324, enrolled bill, Item 392, line 54, after “certificate.”

insert

The Department of Game and Inland Fisheries shall have the authority to issue emergency regulations to enact an increase in motorboat registration fees.

(This amendment allows the Department of Game and Inland Fisheries to issue emergency regulations to increase the boat registration fee in order to offset revenue reductions. Without this language, Administrative Process Act requirements would delay any fee increase by about 18 months.)

30. Department of Criminal Justice Services

Page 346, enrolled bill, Item 432, line 2

strike

\$66,956,695

insert

\$69,036,695

Page 349, enrolled bill, Item 432, after line 26,

insert

M. Out of this appropriation, \$2,080,000 the first year from the general fund is included to support drug court programs statewide.

(This amendment provides general fund support in the first year to restore the majority of the funds removed by the General Assembly for the Drug Court program. This amendment attempts to maintain the viability of this program while allowing time for localities to explore other funding sources.)

31. Department of Criminal Justice Services

Page 346, enrolled bill, Item 432, line 2

strike

\$66,956,695

insert

\$67,848,695

Page 349, enrolled bill, Item 432, after line 26,

insert

M. Out of this appropriation, \$892,000 the first year from the general fund is included to support existing Project Exile programs.

(This amendment provides general fund support in the first year to restore the majority of the funds for Project Exile. This amendment attempts to maintain the viability of this program while allowing time for localities to explore other funding sources.)

32. Department of Criminal Justice Services

Page 347, enrolled bill, Item 432, line 14, after “than”

strike

\$750,000

insert

five percent

(This amendment removes the limitation on the agency Director's authority to expend only \$750,000 per year for administrative expenses for the Comprehensive Community Corrections Act (CCCA) and Pretrial Services Act (PSA) programs and places a limit of five percent for those expenses. This change is necessary to allow the agency to minimize overall administrative expenses for these programs by continuing to purchase certain administrative services (e.g. insurance) centrally. The effect of this amendment is to reduce administrative costs overall, by consolidating the administrative costs of several programs into one program.)

33. Department of Criminal Justice Services

Page 346, enrolled bill, Item 432, line 2

strike

\$66,956,695

insert

\$68,709,790

Page 349, enrolled bill, Item 432, after line 26,

Insert

M. Out of this appropriation, \$1,753,095 the first year from the general fund is included for Pre-release and Post-incarceration services.

(This amendment provides general fund support in the first year to restore the majority of the funds removed by the General Assembly for Pre-release and Post-incarceration services. This amendment attempts to maintain the viability of these services, while allowing time for these programs to explore other funding sources.)

34. Department of Criminal Justice Services

Page 346, enrolled bill, Item 432, line 2

strike

\$66,956,695

\$66,986,695

insert

Page 27

\$69,956,695

\$69,986,695

Page 347, enrolled bill, Item 432, line 34

strike

D

insert

D.1.

Page 347, enrolled bill, Item 432, after line 39,

insert

2. Out of this appropriation \$3,000,000 the first year and \$3,000,000 the second year is included from available federal funds for the purposes of administering domestic abuse grant programs to localities.

(This amendment restores the \$3,000,000 nongeneral fund appropriation in the first year and the \$3,000,000 nongeneral fund appropriation in the second year for the Department of Criminal Justice Services to administer domestic violence grants as well as other programs related to funds from the Violence Against Women Act.)

35. Department of Criminal Justice Services

Page 350, enrolled bill, line 7,

strike

73.50

73.50

insert

74.50

74.50

(This amendment restores a nongeneral fund position the Department of Criminal Justice Services will need to administer the domestic violence grants proposed in the prior amendment.)

36. Department of Juvenile Justice

Page 356, enrolled bill, Item 448, after line 41

strike

lines 42 through 48

(This amendment deletes language directing the agency to pay Culpeper County for the costs of beds in juvenile detention centers due to the closing of the Culpeper Juvenile Correctional Center and Detention Center. The department has developed a plan that will keep the facility operating at a reduced capacity while providing for the 14-bed detention space promised to Culpeper County.)

37. Department of Military Affairs

Page 358, enrolled bill, Item 453, line 15

strike

\$1,000,000

insert

\$1,400,000

(This amendment increases the payment required by the City of Virginia Beach in exchange for leasing some property from the Department of Military Affairs at Camp Pendleton. The General Assembly provided for the payment of \$1,000,000 by the city to cover the costs of relocating some buildings on the property. A more recent estimate has placed the actual cost of the relocation as \$1,400,000.)

38. Department of State Police

Page 361, enrolled bill, Item 459, after line 22

insert

E. Included in this appropriation is \$6,117,540 the first year and \$4,728,740 the second year from Section 402 Federal Highway Funds for the Department of State Police. The following actions shall be contingent upon federal approval. Within this total, an estimated \$4,300,000 the first year and \$2,911,200 the second year shall be used to hire, equip and provide basic training for 50 state troopers. These troopers shall focus on preventive patrol and enforcement of Virginia's laws concerning impaired driving, including alcohol enforcement and aggressive driving. In addition, an estimated \$1,300,000 each year from these funds shall be used to provide needed in-vehicle computer equipment to gather statistics on alcohol enforcement and impaired driving in the Commonwealth. Finally, an estimated \$517,540 each year from these funds shall be used to pay overtime for state troopers.

Page 29

(This amendment specifies the use of nongeneral (highway safety) funds appropriated for the Department of State Police, contingent upon approval by the federal agency responsible for the granting and administration of the funds.)

39. Department of Technology Planning

Page 364, enrolled bill, Item 468, line 37

strike

\$9,854,515

\$1,855,963

insert

\$11,151,449

\$3,152,897

Page 366, enrolled bill, Item 468, after line 10

insert

E. Out of the amounts in Other Services, \$1,296,934 the first year, and \$1,296,934 the second year from the general fund shall be used to provide effective management oversight of information technology assets in the Commonwealth.

(This amendment allows the Department of Technology Planning to fund staff necessary to support the Secretary of Technology in his role as the Chief Information Officer (CIO) of the Commonwealth.)

40. Secretary of Transportation

Page 371, enrolled bill, Item 472, line 25, after “provide”

Insert

a six-year report that includes the following:

(This amendment provides that a report on transportation spending be presented that includes data for six years, which will allow for a more in-depth analysis.)

41. Department of Transportation

Page 379, enrolled bill, Item 488, line 7, after “shall”

strike

not

Page 379, enrolled bill, Item 488, line 8, after “funding”

strike

to

insert

for the effective management of

Page 379, enrolled bill, Item 488, line 9, after “Transportation”

insert

, provided that such increases are fully itemized and documented,

(This amendment removes language which would have prevented the Virginia Department of Transportation from showing administrative cost increases in the six-year plan. The language would have prevented showing funding increases in the plan for costs such as legislatively appropriated salary increases or other non-discretionary costs. The end result would be a mismatch between planned and actual funding available for highway maintenance and construction.)

42. Department of Transportation

Page 379, enrolled bill, Item 491, line 22

strike

\$1,526,462,332

\$1,856,304,318

insert

\$1,632,989,032

\$1,749,777,618

Page 384, enrolled bill, Item 491, line 41, after “include”

strike

\$7,132,500

Page 31

insert

\$113,659,200

Page 384, enrolled bill, Item 491, line 43, before “from”

strike

\$139,456,286

insert

\$32,929,586

Page 384, enrolled bill, Item 491, line 49, after “the”

strike

second

insert

first

(This amendment shifts \$106.5 million in general fund from FY 2004 to FY 2003. This move will better balance revenues with appropriations in FY 2003 and revenue with appropriations in FY 2004.)

43. Department of Transportation

Page 380, enrolled bill, Item 491, line 48, after “Programs,”

strike

\$40,000,000

insert

\$26,945,000

Page 381, enrolled bill, Item 491, line 4, before “the first”

strike

\$11,850,000

insert

\$24,905,000

(This amendment changes the fund source for the Route 58 Corridor Development Fund. The fund will continue to get \$40,000,000 per year, but in the first year \$13,055,000 of this amount will come from additional highway funds made available from the bonding of certain Department of Transportation capital outlay operational projects.)

44. Department of Transportation

Page 384, enrolled bill, Item 491, line 2, after “\$317,000,000”

strike

in

insert

for the following:

Page 384, enrolled bill, Item 491, line 7, after “Virginia;”

insert

Port projects listed in Enactment 4, § 5, of such Chapters; and,”

(This amendment allows FRANs to be used for a Virginia Port Authority dredging project listed in the Virginia Transportation Act in order to allow the agency to help offset some of the general fund budget reductions imposed in the adopted budget.)

45. Central Appropriations

Page 390, enrolled bill, Item 503, line 3

strike

(\$96,009,133)

insert

(\$98,620,621)

Page 391, enrolled bill, Item 503, after line 53

insert

D. 1. The Director, Department of Planning and Budget, shall withhold from agency general fund appropriations and transfer to this Item an amount estimated at \$2,611,488 in the first year, representing the general fund share of agency and institution costs for the use of a statewide electronic procurement system. The amounts available in this Item shall be transferred as needed with the approval of the Director, Department of Planning and Budget, to the electronic procurement account established by the Department of General Services.

2. In the case of an agency or institution which is not executing the majority of its procurements utilizing the electronic procurement system, the Director, Department of Planning and Budget, may withhold from such agency or institution's general fund appropriations in the second year a pro rata charge for its share of maintaining the statewide system. Any such assessment shall be transferred to this item and then subsequently transferred as needed with the approval of the Director, Department of Planning and Budget to the electronic procurement account established by the Department of General Services.

3. These sums shall be used for developing and implementing a statewide electronic procurement system.

(This amendment authorizes the Department of Planning and Budget to withhold the general fund share of agency subscription fees for use of the statewide electronic procurement system being developed and implemented by the Department of General Services. These fees will be used by the Department of General Services to pay for the continued development of the statewide electronic procurement system. Agency fees will be assessed in FY 2004 only if an agency does not participate or reduces its participation in the statewide procurement system.)

46. Central Appropriations

Page 390, enrolled bill, Item 503, Line 3

strike

(\$96,009,133)

insert

(\$73,975,759)

Page 390, enrolled bill, Item 503, Line 38

strike

\$67,781,599

insert

\$45,748,225

(This amendment reduces the general fund savings for Virginia Retirement System (VRS) dormant accounts. The amendment is intended to appropriately spread between general and nongeneral fund agencies the savings amounts resulting from dormant accounts. A related amendment to §3-1.01 increases the amounts to be transferred from nongeneral fund agencies so that net general and nongeneral fund savings will be the same as contained in the adopted budget.)

47. Central Appropriations

Page 391, enrolled bill, Item 503

strike

lines 25 through 53

insert

C. Prior to June 30 of each year, the Governor, or his designee, shall report to the Chairmen of the House Appropriations Committee and the Senate Finance Committee on the status of at-will employment. Such report shall include the number and type of at-will employees employed by each agency.

(This amendment strikes language in the enrolled bill that eliminates certain at-will employees and puts limitations on the Governor's authority regarding such employees. A companion amendment to §3-1.01 strikes language regarding the collection of nongeneral fund savings from the elimination of these positions. This amendment also adds language to require an annual report on at-will positions.)

48. Central Appropriations

Page 393, enrolled bill, Item 504.10,

strike

lines 28 through 34

insert

- A. The Director, Department of Planning and Budget, shall withhold and transfer to this Item general fund appropriations estimated at \$2,881,418 the first year and \$5,000,000 the second year from efforts of the Governor's Commission on Efficiency and Effectiveness.
- B. The Governor's Commission on Efficiency and Effectiveness shall review the activities and programs of the Virginia Liaison Office, the Commission on Local Government, and the Commonwealth Competition Council. The Commission shall report its findings and recommendations to the Governor and the General Assembly.
- C. Notwithstanding any other Item in this act, pending the recommendations of the Governor's Commission on Efficiency and Effectiveness, the Director, Department of Planning and Budget, shall transfer \$1,000,000 in the first year from this Item to the Chesapeake Bay Local Assistance Department and \$631,418 in the first year from this Item to the Department of the State Internal Auditor for implementation of Title 10.1, Chapter 21, and Title 2.2, Chapter 16, Code of Virginia, respectively. The Director shall transfer general fund appropriations of \$125,000 in the first year from the Department of Accounts to the Department of the State Internal Auditor for a program to train internal auditors.

(This amendment captures estimated minimum savings from the efforts of the Governor's Commission on Efficiency and Effectiveness and provides funding to the Chesapeake Bay Local Assistance Department and the Department of the State Internal Auditor to continue statutorily mandated activities, pending the recommendations and findings of the Commission.)

49. Central Appropriations

Page 399, enrolled bill, Item 511, line 12

strike

On November 25, 2002, full-time

insert

For fiscal year 2003,

Page 399, enrolled bill, Item 511

strike

Page 36

lines 15 through 19

insert

a. Except as provided for in paragraphs F 1 a 4 and F 1 b of this item, classified employees, agency heads, cabinet secretaries, other salaried employees of the Executive, Legislative, and Judicial Branches, and salaried employees of Independent Agencies shall each elect in writing to receive either:

Page 399, enrolled bill, Item 511, line 21, after “2003”

insert

to be included in the August 30, 2002, pay

Page 399, enrolled bill, Item 511

strike

lines 22 through 25

insert

2) Ten days of compensatory time off with pay. Such compensatory time shall be credited to employees on July 1, 2002, and must be used no later than June 30, 2003. Compensatory time shall not be carried forward and employees shall not be paid or otherwise compensated upon leaving employment for any balance of unused compensatory time provided to them under this paragraph, or

Page 399, enrolled bill, Item 511, line 29, after “Planning and Budget”

insert

The bonus payment portion of any combination of compensatory time and bonus shall be included in the August 30, 2002, pay

Page 399, enrolled bill, Item 511, line 40, after “payment”

strike

equal to no more than 2.5 percent of base compensation the first year. These bonus payments shall be issued as a separate check for each employee

Page 399, enrolled bill, Item 511, after line 48

insert

c. In the first year, each independent agency may use funds equivalent to 2.5 percent of employee base compensation in the first year for one-time compensation actions consistent with the established agency pay plans.

2.a. Classified employees in the Executive Department shall receive the increases authorized in subparagraph F 1 a above only if they attain a rating of at least "contributor" on their latest performance evaluation.

b. Increases for other employees listed in subparagraph F 1 a. shall be consistent with the provisions of subparagraph F 2 a, as determined by the appointing or governing authority. The appointing or governing authority shall certify that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in the preceding subparagraph F 2 a.

strike

lines 49 through 51

(This amendment changes some of the language regarding bonus payments for state employees in FY 2003. Specifically, the amendment provides the bonus payments to state employees in August rather than December, allows state employees to take any compensatory time elected throughout FY 2003, and gives higher education and independent agencies some flexibility in implementing the increase. In addition, the amendment also reduces the negative tax withholding consequences for most employees of a separate check, by including the payment in the employee's regular pay.)

50. Central Appropriations

insert

, Virginia Sickness and Disability Program contributions, and retiree healthcare credit contributions

(This amendment adds the Virginia Sickness and Disability Program and the retiree healthcare credit to the list of programs for which the Virginia Retirement System will receive quarterly payments from state agencies and institutions of higher education. An amendment to Item 527 (Virginia Retirement System) modifies similar language for the same purpose.)

51. Central Appropriations

Page 38

strike

\$19,020,226

insert

\$24,020,226

Page 401, enrolled bill, Item 512, line 14, after “includes”

insert

\$3,000,000 the first year, and

Page 404, enrolled bill, Item 512, after line 49

insert

L. Out of the appropriation in this Item, \$2,000,000 the first year is provided to improve access to, and affordability of, higher education through increased need-based financial aid for Virginia resident undergraduate students. This funding shall be distributed to higher education institutions consistent with the needs of those institutions. The Director, Department of Planning and Budget, shall submit a report by July 15, 2002, to the Chairmen of the House Appropriations and Senate Finance Committees setting out the distribution of these funds.

(This amendment adds \$5,000,000 to the economic contingency account for FY 2003. The enrolled bill does not include any funding for emergency situations in the economic contingency account for the first year. With the budget reductions included in the enrolled bill, state agencies will have little flexibility to absorb the cost of emergency situations. The amended amount includes \$3,000,000 for such emergency situations in the first year. The remaining \$2,000,000 is provided for the enhancement of financial aid to in-state undergraduate students in light of increasing educational costs and tuition.)

52. Central Appropriations

Page 400, enrolled bill, Item 512, line 51

strike

\$19,020,226

\$15,217,049

insert

\$19,820,226

\$16,717,049

Page 402, enrolled bill, line 43

Page 39

strike

\$7,710,226

insert

\$8,510,226

Page 402, enrolled bill, line 44

strike

\$6,167,049

insert

\$7,667,049

(This amendment partially restores funding for research grants awarded under the Commonwealth Technology Research Fund in 2002 for a three-year period. Restoration of these funds will allow institutions of higher education to fulfill ongoing contracts with other universities and with industry sponsors, and to retain new research faculty and staff recruited under these grants.)

53. Central Appropriations

Page 400, enrolled bill, Item 512, line 51

strike

\$19,020,226

\$15,217,049

insert

\$20,870,226

\$16,817,049

Page 401, enrolled bill, Item 512, after line 1

insert

Dedicated Special Revenue \$1,850,000 \$1,600,000

Page 401, enrolled bill, Item 512, after line 52

Page 40

insert

2. This Item also includes nongeneral fund appropriations of \$1,850,000 the first year and \$1,600,000 the second year for the Governor's Development Opportunity Fund representing prior-year interest earnings on fund balances.

Page 401, enrolled bill, Item 512, line 53

strike

2

insert

3

Page 402, enrolled bill, Item 512, line 14

strike

3

insert

4

Page 402, enrolled bill, Item 512, line 25

strike

4

insert

5

(This amendment provides a nongeneral fund appropriation of \$1,850,000 in FY 2003 and \$1,600,000 in FY 2004, representing prior year interest earnings for the Governor's Development Opportunity Fund. These interest earnings were not appropriated in the enrolled bill.)

54. Virginia Retirement System

Page 412, enrolled bill, Item 527, line 15

strike

The fee shall be credited toward any retirement contributions required by the Board in a manner prescribed by the Board of Trustees.

insert

Retirement contributions required by the Board shall be reduced to pay such fees in a manner prescribed by the Board of Trustees.

(This amendment modifies language which will allow the Board of Trustees of the Virginia Retirement System to reduce retirement contribution rates in order to recover the cost of administering the deferred compensation program, the optional retirement program, and other defined contribution programs, as required by law.)

55. Virginia Retirement System

Page 412, enrolled bill, Item 527, line 26, after “retirement contributions”

insert

, Virginia Sickness and Disability Program contributions, and retiree healthcare credit contributions

(This amendment adds the Virginia Sickness and Disability Program and the retiree healthcare credit to the list of programs for which the Virginia Retirement System will receive quarterly payments from state agencies and institutions of higher education.)

56. General Conditions

Page 421, enrolled bill, § 2-0, Paragraph I, after line 48

insert

<u>217</u>	<u>16303</u>	<u>0100</u>	<u>\$ 400,000</u>
<u>221</u>	<u>16293</u>	<u>0100</u>	<u>\$ 930,000</u>
<u>260</u>	<u>16091</u>	<u>0100</u>	<u>\$ 509,605</u>
<u>799</u>	<u>15665</u>	<u>0230</u>	<u>\$2,236,500</u>

Page 421, enrolled bill, §2.0 I., line 50

strike

\$2,000,000

insert

\$6,076,105

(This amendment captures excess general fund appropriations in several capital projects in institutions of higher education resulting from the award of construction contracts below appropriation levels and substitution of bond proceeds for general fund support. This amendment also reverts to the general fund nongeneral funds previously appropriated for a capital project in the Department of Corrections. The Department of Corrections and Virginia Community College projects will be funded from bonds issued by the Virginia Public Building Authority.)

57. George Mason University

Page 424, enrolled bill, Item C-20.10, line 40

strike

A

insert

1

Page 424, enrolled bill, Item C-20.10, line 40, after “item.”

insert

Interim financing for construction will be provided through a loan from the State Treasury.

(This amendment corrects a typographical error and authorizes George Mason University to request a Treasury Loan for the Student Housing VI project.)

58. Virginia Community College System

Page 432, enrolled bill, after line 12

insert

C-67.20. New Construction: New Academic Building, Virginia Beach Campus, Tidewater (16091).....

\$509,605 \$0

Fund Sources: Bond Proceeds.....

\$509,605 \$0

The source of funds for the bond proceeds

appropriation in this Item shall be excess proceeds of the Virginia Public Building Authority. The Governor shall authorize the use of such funds for this project upon certification to him by the Virginia Public Building Authority that: an arbitrage rebate liability calculation has been completed, an affirmative opinion of bond counsel has been received, and excess bond proceeds of the Authority are available.

(This amendment utilizes excess bond proceeds of the Virginia Public Building Authority to supplant general fund support provided in a previous budget for the Virginia Beach Academic Building project at Tidewater Community College.)

59. Virginia Polytechnic Institute and State University

Page 434, enrolled bill, after line 1

insert

<u>C-81.20. New Construction: Aquatics and Fisheries Research Center (16761).....</u>	<u>\$800,000</u>	<u>\$0</u>
<u>Fund Sources: Higher Education Operating.....</u>	<u>\$800,000</u>	<u>\$0</u>

(This amendment provides a nongeneral fund appropriation for a new Aquatics and Fisheries Research Center in the first year of the biennium. The U.S. Forest Service has notified the university that it is eligible for an \$800,000 federal grant to construct a new fisheries research center. The funds must be transferred to the university prior to the end of the current federal fiscal year (September 30, 2002); therefore, the university requires nongeneral fund appropriation authority in Fiscal Year 2003 in order to draw down these funds.)

60. Virginia State University

Page 434, enrolled bill, Item C-82, after line 8

strike

lines 9 through 32

insert

1. To enable a foundation or similar entity related to Virginia State University to obtain bond financing at a favorable rate of interest for the purpose of erecting off-campus

student apartments, and thereby increase private housing available to students within reasonable proximity to its campus, Virginia State University is authorized to enter into a support or cooperation agreement whereby the University agrees to treat said apartments as an integral part of its existing stock of student housing by permitting the marketing of the apartments equally with its own housing, to seek to obtain police power over the apartment site as provided by law and if granted to provide the services of the University police, in a capacity as agent, to collect student apartment rental fees as if those students occupied University campus housing, to assign students in preference to other University facilities, to restrict construction of competing student housing projects and otherwise to support such project consistent with law and pre-existing University obligations. If, for the purpose of either obtaining a favorable bond rating or credit enhancement, bond proceeds are required to be placed in escrow pending completion or occupancy of the student apartments, the University is authorized to seek a Treasury loan in an amount sufficient to finance construction and other costs of the apartments project, with the Treasury loan to be repaid with bond proceeds upon termination of such escrow. Any such loan shall be secured by an assignment of said escrow fund.

(This amendment for Virginia State University provides technical language recommended by bond counsel and the Attorney General's Office, to proceed with a student housing project.)

61. Virginia State University

Page 435, enrolled bill, Item C-83, line 1

strike

\$503,000

insert

\$1,503,000

(This amendment restores \$1,000,000 in general fund support for maintenance reserve at Virginia State University for the first year of the biennium. The restoration will assist the university to implement the maintenance reserve backlog plan as specified in the Office for Civil Rights Accord.)

62. Department of Conservation and Recreation

Page 437, enrolled bill, after line 39

insert

C-108.10. 1. The Director of the Department of Conservation and Recreation is authorized to acquire on behalf of the Commonwealth, upon terms and conditions the department deems proper, with the

approval of the Governor, and approval as to form by the Attorney General, a parcel of land consisting of approximately 1,100 acres located at the confluence of the Potomac River and Aquia Creek in Stafford County.

2. The Director, Department of Planning and Budget, is authorized to issue, as necessary, a no-interest Treasury Loan in the furtherance of this acquisition. The loan is to be repaid no later than June 30, 2004, by the Department of Conservation and Recreation from funds that may become available to the department.

(This amendment authorizes the Department of Conservation and Recreation to acquire property in Stafford County for use as a state park and authorizes the issuance of no-interest Treasury Loan, as necessary, in the furtherance of this acquisition.)

63. Department of Military Affairs

Page 439, enrolled bill, Item C-125.10, line 10

strike

\$1,000,000

insert

\$1,400,000

Page 439, enrolled bill, Item C-125.10, line 13

strike

\$1,000,000

insert

\$1,400,000

Page 439, enrolled bill, Item C-125.10, line 16

strike

\$1,000,000

insert

\$1,400,000

(This amendment increases the amount of payment required by the city of Virginia Beach in exchange for leasing some property from the Department of Military Affairs at Camp Pendleton. The General Assembly provided for the payment of \$1,000,000 by the city to cover the costs of relocating some buildings on the property. A more recent estimate has placed the actual cost of the relocation as \$1,400,000.)

64. Department of Corrections

Page 439, enrolled bill, after line 19

insert

§ 2-30.1 DEPARTMENT OF CORRECTIONS, CENTRAL ACTIVITIES (799)

C-126.10. New Construction: Upgrade and
Construct Wastewater Treatment Plants (15665)

\$2,236,500 \$0

Fund Sources: Bond Proceeds..... \$2,236,500 \$0

This appropriation includes bond proceeds for the construction of a wastewater treatment plant at the Virginia Correctional Center for Women.

(This amendment provides revenue from the issuance of bonds by the Virginia Public Building Authority for a capital project in the Department of Corrections, which had been previously authorized. Use of bond proceeds will free the previously authorized funds for other purposes.)

65. Department of Transportation

Page 440, enrolled bill, Item C-135, line 36, after “Sources:”

strike

Commonwealth Transportation

insert

Bond Proceeds

(This amendment allows Virginia Public Building Authority bonds to be used for construction of the new equipment division facility at Fulton.)

Page 47

66. Department of Transportation

Page 441, enrolled bill, Item C-143, line 22, after “Sources:”

strike

Commonwealth Transportation

insert

Bond Proceeds

(This amendment allows Virginia Public Building Authority bonds to be used for constructing the Northern Virginia repair shop.)

67. Virginia Port Authority

Page 441, enrolled bill, Item C-148, line 38

strike

\$3,000,000

insert

\$3,250,000

(This amendment provides an additional nongeneral fund appropriation for a land acquisition project for the ports.)

68. Central Capital Outlay

Page 444, enrolled bill, Item C-150, line 6,

strike

\$1,000,000

insert

\$420,833

Page 444, enrolled bill, Item C-150 after line 6

insert

<u>Debt Service</u>	<u>\$579,167</u>
---------------------	------------------

(This amendment reduces the central general fund appropriation provided for necessary repairs and improvements and replaces the reduced amount with excess Virginia Public Building Authority interest earnings. The net result is that the same total amount will be available for emergency repairs at state agencies and institutions of higher education.)

69. Nongeneral Obligation Bonds (9(D))

Page 448, enrolled bill, Item C-154, Paragraph B.

after line 21

insert

4. In the event the University elects not to pursue development of the project through the Virginia Commonwealth University Real Estate Foundation, the University is authorized to acquire the site at the corner of Broad and Belvidere Streets and develop the student housing and parking project as a state capital project financed through the issuance of 9(d) revenue bonds.

(This amendment provides additional flexibility to allow Virginia Commonwealth University to finance the Academic Campus Housing II and Parking project by issuing bonds through either the University's Real Estate Foundation or the Virginia College Building Authority's pooled bond program.)

70. Nongeneral Obligation Bonds (9(d))

Page 449, enrolled bill, Item, C-154, after line 4

insert

D.1 This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9(d), of the Constitution of Virginia.

2. This paragraph shall constitute the authority for the Virginia Public Building Authority to finance the following projects by the issuance of revenue bonds in aggregate principal amounts not to exceed the Section 9 (d) Bond amounts listed, plus amounts to fund related issuance costs, reserve funds, and other financing expenses, in accordance with § 2.2-2263, Code of Virginia.

3. The appropriations for said capital projects are contained in the appropriation items listed below and are subject to the conditions in §2-0 F of this act.

4. The total amount listed in this Item includes \$15,291,500 in bond proceeds.

<u>Agency Name/Project Title</u>	<u>Item #</u>	<u>Project Code</u>	<u>Section 9(d) Bonds</u>
<u>Department of Corrections</u>			
<u>Construct new wastewater treatment plant</u>	<u>C-126.10</u>	<u>15665</u>	<u>\$2,236,500</u>
<u>Department of Transportation</u>			
<u>Construct New Equipment Division Facility</u>	<u>C-135</u>	<u>16141</u>	<u>\$6,744,000</u>
<u>Construct Northern Virginia Repair Shop</u>	<u>C-143</u>	<u>16679</u>	<u>\$6,311,000</u>
<u>TOTAL VPBA 9(d) BONDS</u>			<u>\$15,291,500</u>

(This amendment allows Virginia Public Building Authority bonds to be issued for a Department of Corrections capital project and two Department of Transportation capital projects.)

71. Miscellaneous Transfers

Page 451, enrolled bill, § 3-1.01, lines 15 and 16

strike

By June 30, 2004, the State Comptroller shall transfer to the general fund \$3,710,615 from the Technology Partnership Fund.

Page 456, enrolled bill, § 3-1.01, line 21

strike

\$3,710,062

insert

\$2,210,062

Page 456, enrolled bill, § 3-1.01, at the end of line 21

insert

It is the intent of the General Assembly to meet all contractual obligations of the Public/Private Partnership Project.

(This amendment strikes duplicative language, reduces the amount of the transfer in the second year from the Department of Taxation's Technology Partnership Fund to the general fund, and includes language conveying the intent of the General Assembly to meet all contractual

Page 50

obligations of the Public/Private Partnership. The Department needs these funds to pay contractually obligated payments.)

72. Miscellaneous Transfers

Page 453, enrolled bill, § 3-1.01, at the beginning of the line

strike

O.

insert

O.1.

Page 453, enrolled bill, § 3-1.01, after line 45

insert

2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.

(This amendment removes the requirement for allocating interest earnings to the Family Access to Medical Insurance Security Plan Trust Fund. The Fund derives all of its revenue from the general fund pursuant to the transfer contained in this Item. Money in the fund is used to pay expenses that otherwise would be paid by the general fund. This amendment simplifies the accounting for the Fund by requiring that any interest earned on balances in the Fund remain in the general fund to pay for necessary expenses. This action also results in an increase of interest earnings for the general fund estimated at \$775,000 per year.)

73. Miscellaneous Transfers

Page 454, enrolled bill, § 3-1.01, Paragraph V. Line 22

strike

\$32,250,303

insert

\$54,283,677

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(This amendment increases the nongeneral fund savings for Virginia Retirement System (VRS) dormant accounts. The amendment spreads between general and nongeneral fund agencies the savings included for dormant VRS accounts in the adopted budget.)

74. Miscellaneous Transfers

Page 456, enrolled bill, § 3-1.01, after line 21

insert

UU. Prior to June 30, 2003, the State Comptroller shall transfer to the general fund \$1,191,948 from special fund balances (fund 0227) of the Department of State Police.

(This amendment authorizes the transfer of end-of-year balances of \$1,191,948 from special fund balances in the Department of State Police to the general fund. These funds are not needed to operate the program. The program has sufficient general fund and nongeneral fund revenue support to cover any and all expenses connected with the program.)

75. Miscellaneous Transfers, § 3-1.01

Page 456, enrolled bill, § 3-1.01, after line 21

insert

UU. On or before July 15, 2002, the State Comptroller shall transfer \$2,000,000 from the general fund to the special fund of the Commission on the Virginia Alcohol Safety Action Program. On or before June 30, 2004, the State Comptroller shall transfer \$2,000,000 to the general fund from the special fund balance of the Commission on the Virginia Alcohol Safety Action.

(This amendment provides cash to the Commission to meet its planned expenditures. At the end of fiscal year 2002, \$5,000,000 will be transferred from the special fund of the Commission on the Virginia Alcohol Safety Action Program to the general fund, which will reduce the Commission's cash on hand at the beginning of the 2002-04 biennium. This amendment will provide the Commission sufficient cash to meet its planned expenditures during the course of the next biennium, until additional special fund revenues are collected.)

76. Miscellaneous Transfers

Page 455, enrolled bill, §3-1.01, Paragraph II.

strike

lines 28 through 31

(This amendment strikes language regarding the collection of nongeneral fund savings from the elimination of certain at-will employees. A related amendment to Item 503 requires an annual report on the use of at-will employees authorized under the Code.)

77. Miscellaneous Transfers

Page 456, enrolled bill, §3-1.01, after line 21

. insert

UU. 1. On or before June 30, 2003, the State Comptroller shall withhold or recover from nongeneral fund agencies and transfer to the general fund amounts estimated at \$4,449,781. The Director, Department of Planning and Budget, shall provide the Comptroller with the specific amount to be transferred from each nongeneral fund account in the affected agencies. The Comptroller shall subsequently transfer these dollars to the electronic procurement account established by the Department of General Services. The transfer to the Department of General Services shall be made as needed with the approval of the Director, Department of Planning and Budget.

2. In the case of an agency or institution which is not executing the majority of its procurements utilizing the electronic procurement system, the State Comptroller, on or before June 30, 2004, shall withhold or recover from nongeneral fund agencies and transfer to the general fund a pro rata charge for its share of maintaining the statewide system. The amount shall be based on input from the Director, Department of Planning and Budget. Any such funds transferred to the general fund shall subsequently be transferred to the to the electronic procurement account established by the Department of General Services. The transfer to the Department of General Services shall be made as needed with the approval of the Director, Department of Planning and Budget.

3. These sums shall be used for developing and implementing a statewide electronic procurement system.

(This amendment authorizes the State Comptroller to transfer an amount estimated at \$4,449,781 from nongeneral fund accounts to the Department of General Services' electronic procurement account. The estimated amount represents the nongeneral fund share of agencies' subscription fees for the use of the statewide electronic procurement system being developed and implemented by the Department of General Services. These fees will be used by the Department of General Services to pay for the continued development of the statewide electronic procurement system. In FY 2004, fees will be assessed only to those agencies that do not participate or reduce their participation in the statewide procurement system.)

78. Working Capital Funds and Lines of Credit

Page 457, enrolled bill, §3-2.03, after line 35

insert

<u>Department of Human Resource Management, for the Workers'</u>	
<u>Compensation Self Insurance Trust Fund</u>	<u>\$10,000,000</u>

(This amendment provides a \$10,000,000 line of credit to the Department of Human Resource Management for the Workers' Compensation Self Insurance Trust Fund. The trust fund, which is supported by the workers' compensation insurance premiums paid by state agencies and institutions, provides workers' compensation benefits to injured state employees. Establishing a line of credit for this program would protect the trust fund against catastrophes that were unaccounted for in the actuarial assumptions used to establish agencies and institutions' workers' compensation premiums. A similar line of credit exists for this program in Chapter 1073, 2000 Acts of Assembly, and enrolled House Bill 29.)

79. Accelerated Sales and Use Tax Collections

Page 458, enrolled bill, § 3-5.01, line 23, after "2003"

strike

except with respect to those revenues required to be distributed under provisions of §§ 58.1-605 and 58.1-606, Code of Virginia

Page 458, enrolled bill, § 3-5.01, line 25, after "revenue"

insert

except with respect to those revenues required to be distributed under provisions of §§ 58.1-605 and 58.1-606, Code of Virginia

(This amendment moves to the proper place in the section the phrase that defines which sales tax receipts are included as general fund revenues.)

80. Retail Sales & Use Tax Exemption for Internet Service Providers

Page 459, enrolled bill, § 3-5.02, lines 5 through 8

strike

purchases made between July 1, 2002, and June 30, 2003, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet access services by providers of Internet service, as defined in § 58.1-602, Code of Virginia, shall apply to only 90 percent of the cost of purchases otherwise qualified for exemption. For

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(This amendment defers for one year the reduced sales tax exemption which was provided for Internet service providers in the adopted budget.)

81. Interest Earnings, § 3-5.06

Page 459, enrolled bill, § 3-5.06

strike

lines 28 through 35

(This amendment strikes the provision for deferral of interest earnings. The enrolled bill allowed for the deferral of interest earnings on certain nongeneral fund accounts, until after the close of fiscal year 2003, as a means of preserving cash in the general fund. An analysis of the enrolled bill indicates that there is more than adequate cash balance in the general fund at the end of the first year of the biennium. Accordingly, the provision to defer nongeneral fund interest earnings is not needed.)

82. General Provisions – General Fund Revenues

Page 470, enrolled bill, § 4-2.02 c, line 21, after “Virginia”

strike

the period (.)

insert

, and Chapter 477, Acts of Assembly of 2002

(This amendment conforms language in the enrolled bill to the provisions of Chapter 477 enacted in the 2002 Session. That act authorizes the State Police to retain revenues generated from leases associated with its radio towers.)

83. General Provisions – Goods and Services

Page 481, enrolled bill, § 4-5.06, line 27, after “education,”

strike

except for the

Page 481, enrolled bill, § 4-5.06, line 28

strike

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Virginia Community College System

Page 481, enrolled bill, § 4-5.06, line 29, after “Services.”

insert

The Secretary of Technology may grant an exemption to this requirement.

(This amendment allows the Secretary of Technology to exempt agencies and institutions of higher education from the requirement to conduct “Total Cost of Ownership” studies prior to making purchases of desktop computers.)

Mark R. Warner
Governor